

Town of Brookline
Advisory Committee Minutes

Harry K. Bohrs, Chair

Date: April 2, 2014

Present: Harry K. Bohrs, Carla Benka, Clifford M. Brown, Sumner J. Chertok, Lea Cohen, John Doggett, Bernard Greene, Kelly A. Hardebeck, Nancy S. Heller, Amy F. Hummel, Systke Humphrey, Angela Hyatt, Alisa G. Jonas, Janice S. Kahn, Fred Levitan, Sean M. Lynn-Jones, Shaari S. Mittel, Lee L. Selwyn Charles Swartz, Leonard A. Weiss, Karen Wenc, Christine Westphal

Absent: Bobbie Knable, Pamela Lodish, Michael Sandman, Stanley L. Spiegel

The meeting was called to order at 7:15 PM.

1. Agenda Item: Presentation by Override Study Committee

Presenting: Dick Benka and Susan Wolf Ditkoff

Also Present: Members of Override Study Committee

See here for Presentation by the OSC in PDF:

http://www.brooklinema.gov/index.php?option=com_docman&Itemid=1797

Scroll down to 4/2/14 to download.

Discussion:

Benka: Thanking committee for the prodigious time and commitment they've put into this. 50% of members have kids in school now. Overview: Total school budget grew 64%. School population has grown which adds to use of town overall – rec programs, library, etc. Between FY 06 and FY 14, growth in total cost per student in system has been flat. These are inflation adjusted figures. This graph on FY 05 to FY 15 includes capital costs.

Over that time, town and school has tried to find efficiencies, and make cuts where appropriate. Town cuts range across all departments. Over \$3mil in cuts and savings – eliminations, outsourcing, and other ways. For example, Andrew P at DPW regularly analyzes cost of keeping services in-house or outsourced.

Ditkoff: School efficiencies in cuts over FY 08 to FY 15. Active management of special education costs, while improving outcomes - \$1mil savings. See School Efficiencies and Cuts slide for details. Also there have been cost reductions that haven't specifically improved (nor deteriorated) education, per school

department. Includes increasing average class size by 1.5. See slide for other cuts. Also: school lunch fees, athletic fees; raising material fees, for example. 2.5 million.

Ditkoff: The OSC has really been about fact finding, not about policy. About cost implications, not values to the town. In the over 150 meetings of committees and subcommittee. The goal here is to get clear on the facts.

Note: On programs, charge was from Selectmen was to look at non-mandated programs, including BEEP, Soule early education, Baldwin day care/early education, extended day, METCO, Materials Fee.

See Potential Operating Override slide for details. This shows what the differences would be, year to year, in fiscal demand.

\$12.29 Million override: at 1% CBA.

FY 15: Measures being suggested by OSC:

- Increase BEEP fees
- Being able to charge rent for building use
- Centralize registrar and fee collection functions
- Continue discussion about impact of high cost programs

Except for removing idea of neighborhood schools, everything is being discussed and considered.

Potential Operating Override:

Assumptions: See Operating Override Assumptions Slide

- 3 year override to cover operating costs and debt exclusion starting in FY 16; override vote in May 2015, with sufficient amounts to get through FY 18 for town and school. At that point, a potential additional override – or none, if not needed.
- 1% per year CBA in the schools. Also calculated with 2% CBA in the schools.
- Steps in increases including special
- Health insurance increases at 5%
- Redevelopment of Red Cab site (yielding \$650K increased property taxes fully realized in FY 17.) Assumes a 2 year build out, with partial taxing in FY 16.
- Also assumes build out of 2 Brookline Place – beginning FY 17 and continuing until completion in FY 20. Will yield \$2 mil in property taxes post FY 20, if built. They are assuming partial in FY 17 and FY 18

- This assumes no change in Metco, material fees, class size, and neighborhood schools. This assumes a base case.
- The OSC will also model different time periods.

There is also a debt exclusion override – it covers capital expenses, exists for a number of years, and then disappears. It assumes an override vote in 2015 for Devotion School. That would free up funds for Driscoll and HS, from CIP. Note: The Capital subcommittee of OSC believes the figure for Driscoll is \$10mil too low. The HS number at \$75 mil is merely a placeholder, as no real plans have been developed. 25 year level payment; annual debt at \$5.3 mil.

Add Operating Override and Debt Exclusion Override: The result is on Override Tax Impact slide. Shows projected tax increase for typical SF and condo and commercial property. Note: Taxes increase year to year as Brookline is permitted to increase taxes by 2.5% plus factor for growth; also driven by changes in values of different classes of property. If for example, single family homes go up in value, their tax will increase more than another class.

OSC Subcommittees:

Demographics: Look long term at the trends and try to have more confidence in the prediction about what will happen to school population going forward. Daunting task. They are critiquing the key model, the “Cohort Survival Model” and also working with Task Force from MIT Sloan School in order to develop predictive model. Will present about May 7. Written conclusions at the end of June. Goal is to know whether the 600 number is a bubble, or a valid number – and is there a model the town can use going forward, with changes in demographics, etc.

Fiscal Policies Subcommittee: Has made report. Recommend continuing Town-School partnership, originated 1995.

Pension & Benefits Subcommittee: Looked closely at health insurance and found an anomaly that works to the town’s disadvantage. Because we joined the GIC early, we are not allowed to grandfather employees, and have different % sharing of health insurance costs, removing a significant negotiating aspect for town. A change would provide equities with communities who were less farsighted in joining the GIC, but will require legislation to change. For example, we are at 83% share of health insurance costs, while statewide, the share is usually 70%. Employees in Brookline are paying lower premiums now than in FY10 despite increases in health costs. Anyone who works at least 10 years and at least ½ time for the town makes them eligible for health insurance at age 55 for themselves and their families. Committee recommends changes – see OPEBs slide for details. There are also proposals at state level to make some of these changes.

Municipal Subcommittee: See slide on this:

- Fire reductions
- Police reductions
- DPW
- HS
- Library savings
- IT

Revenue Subcommittee: Looking at possible changes in

- Parking revenue
- Refuse fees
- Others....library fines, etc.
- Adopt Community Preservation Act – a matching opportunity from the state
- And more

Municipal and Revenue – These are items that could be looked at. Only action was to send the idea of CPA to BOS.

School Program Task Force:

Key question: Are there any districts living within prop 2.5%? They haven't found any. 9 areas they are looking at:

- Manage personnel costs at sustainable levels, such as 1% CBA
- Change average class size
- Phase in/reduce classroom supports
- Scale back HS tutorial program
- Change/eliminate world language program
- Phase in / reduce technology plan
- Eliminate computer labs – primarily a capital consideration – 5 computer labs that could be converted back to classrooms.
- Clarify IT governance
- Other technology savings

SPED and Population Task Force:

Looking at how to increase fees in BEEP to market rates, which would both create revenue as well as scholarship opportunities for low income students.

Similarly Soule early education program is increasing its rates substantially, as recreation department is committed to get to market by FY 17. Task force suggests getting to market now for new students, and grandfather the existing children; move rates up more quickly.

Facility Use: Consider changing this so that fees are charged for these spaces. For extended day, for example. Looking at different use of gyms and fees assessed.

Capital Needs: Estimates:

BSPACE report:

Assumed 630 per grade for a few years and 600 after.

Assumed no change in class size.

Considered and rejected changes in METCO and material fees.

Assumed no changes in assignment practices to optimize classroom use. OSC is looking at various models to optimize class room use and demand.

OSC Analysis:

Considering changes in METOC and material fees, as one of few ways to change demand for classroom space.

Existing policies have impact on capital needs and costs.

A modification on class size and admissions policies could have meaningful impact on space without spending.

See Context (2) Slide for Analysis of experiment with data of shifting K class size and how it decreases classroom size. One interesting fact that emerged: about 1/3 of Brookline residents live in buffer zones.

METCO Program: Note that the entire growth in Brookline K-12 student population is derived from minority populations over the past 20 years (75% non-Asian). Also: While the policy states that SPED services for METCO and Material Fees should be carried by city/town where employee resides, Brookline actually covers those costs. They've done extensive analysis of costs over 13 years of both of these programs, as currently constituted.

METCO OPTIONS laid out in slide. Large range of possibilities.

MATERIALS FEE OPTIONS: Also set forth in slide.

CAPITAL IMPACTS OF POLICIES & PRACTICES slide demonstrates how classrooms could be recovered by implementing various policies. Yellow would save 4 classrooms, such as Lawrence expansion. Green saves more classrooms, equivalent to Driscoll expansion. Blue would be equivalent to the Lawrence and Driscoll. Etc. Shows in graphic form how practices and policies can have significant impact on town's capital needs. They are starting to put the capital numbers together with the operating numbers with reductions in classrooms.

NEXT STEPS:

1. Finalize fact finding where the numbers are fully developed.
2. Model cost and revenue scenarios.
3. Write report, ideally by June, or by September at the latest.

They are not passing judgment on value of different programs nor on cost decisions, but they want to create a clear outline of possibilities that are fact-based.

Bohrs: Our neighborhood school models defines our community as well as the schools. In order for the town to have this conversation, need data.

Q: Re modeling of costs and revenue scenarios: is there any scenario that calls for no override at all?

A: Yes, that is still something they could come up with, since part of their mandate is what if an override fails, what happens.

Q: Re revenue subcommittee: and raising fees – how have we looked at that in terms of rational adjustment of fees – let's do that first, before a tax override? A: Yes, they are looking at this, even outside of the schools. On the school side, they haven't looked in terms of inflation, but in terms of the market. In rec, they are trying to look at comparables.

Q: Revenue from Red Cab and 2 Brookline Place is included in this model; did you also include all other likely development projects, such as Cleveland Circle? A: Cleveland Circle, no, because it's not expected to generate tax revenue in this time period. There is a general overall development and growth factor, but in terms of big projects, these are Red Cab and 2 Brookline Place. Note: The OSC is taking data about tax revenue from the Town's figures – OSC has not modeled this themselves. Also note: some of the revenue enhancements are already being implemented.

Comment: Find it problematic that we're cutting a lot of town services, and shifting this town-school partnership away from partnership.

Comment: We are taking about relative risk – for example, of increasing class size by a few kids, versus cutting fire department capacity and therefore fire danger.

Q: 3 year operating override v. a general override? It feels dishonest to set forth a 3 year override, and then in 3 years, say that we still have structural deficit and need another override. A: 3 year number was just to show how pieces fit together, but no decision on how many years. They will model up to 5 years. Also understand, the OSC hasn't made any commitments about where to suggest cuts – they've been looking under every rock and opening every box. They haven't yet gotten to the point of actual recommendations – they're still focusing on data and information – this is interim, draft, and preliminary. They're getting to a baseline of data upon which to build their conclusions.

Think of this as a model for discussion, not a proposal. Yet.

Q & A: If a materials fee kid's parent stops being a town employee, they lose the Brookline education placement.

Q: Could technology decrease the teacher needs? A: There are models where school systems have tried to implement heavier use of technology and decrease costs. They are not the experts in pedagogy so haven't fully vetted these models, but would encourage school system to research those further and consider them as the next step.

Q: Analyze impact and capacity of community to absorb an override is part of charge to OSC. How do you determine this, not for low income families, but families on the edge between low and middle income; and which categories will you look at in terms of impact? A: Committee has not tackled this in terms of burden on low/middle/high income, seniors. It will be very important in the political debate as this goes forward. Part of the work of the demographic subcommittee could address this issue.

Q: Looking to May of 2015, one thing you'll agree is what it will cost us to fund the school system. How conservative you make your assumptions is key.

Comment: Buying behavior – if I were going to polls in 2015, I wouldn't be waiting for the next shoe to drop. I'm on the installment method and I want to know the full cost – some sense of scope and size – if we are going to start with a shorter fix, you have to prepare people.

Q: Assumption that health insurance will increase by 5%, but it's only increasing this year by 1%. Is there wiggle room here? A: Yes, there is and the goal is to find out where the model is particularly sensitive; but also how to build a budget conservatively. We've also had some analysis about how we've performed against forecast, although OSC hasn't come to a conclusion on this.

Q: Any thought of subsuming fees such as trash fee, in the property tax, to return it to tax deductible category? A: Yes, and there is a range of ways to approach this.

Q: Anything we can do with town wide zoning to limit increase in families with young children?

A: They are starting to look at this and analyze the data but are not yet ready to present their ideas.

In closing, we have not talked about the METCO program, and encourages all of us to have conversations about firemen, METCO, etc. within the community.

Motion to adjourn, unanimous.

The meeting was adjourned at 9:40 PM.

Appendix: See here for Presentation by the OSC in PDF:

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